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# Washington report, vol. 2 no.29, May 6, 1974

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Wade S. Williams

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# AICPA *Washington Report*

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May 6, 1974  
Volume II, Issue 29

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## COST OF LIVING COUNCIL

"Monitoring" legislation was approved narrowly in the Senate last week after rejection of an extension of the Economic Stabilization Act. The legislation faces a much stiffer battle in the House, which has been more vocal in its opposition to any form of economic controls. Further action on this bill, entitled "The Cost of Living Act of 1974", will continue this week. It is being considered as a rider to S. 2986, the Senate version of a House-passed bill on international economic policy.

Health care forms for HMOs (CLC Form 27) have been proposed (see 5/2/74 Fed. Reg., p. 15309). Further action on this matter is uncertain at best, although it may have meaning with respect to a national health insurance program--a matter presently under consideration. A copy of the proposed form itself is reprinted in the Register and copies may also be secured by calling the CLC at 202/254-8545.

## FEDERAL DEPOSIT INSURANCE CORPORATION

An extension of the comment period on the proposed regulations to establish minimum standards for the use of offering circulars and the disclosure of material facts in connection with the public issuance of securities by insured State nonmember banks has been announced. The new deadline is July 31 (see 3/4/74 Wash. Report for further details).

## FEDERAL HOME LOAN BANK BOARD

The 1973 Annual Report has been issued. The April issue of the Board's Journal is devoted to its report. A limited number of copies are available from the Office of Communications, FHLBB, 101 Indiana Ave., N.W., Washington, D.C. 20552; telephone 202/386-3157. A subscription to the monthly Journal is available through the Government Printing Office for \$14.60 per year.

## FEDERAL TRADE COMMISSION

Substantiation of the benefits and uses of the LB reporting requirement has been requested by GAO. The GAO is asking the FTC for "studies supporting FTC's claimed uses and benefits to be gained by possession of and publishing the data requested." A terse response from the FTC back to the GAO indicated that while the FTC would be glad to respond to specific information relevant to GAO's statutory responsibilities, "we fail to see how additional general material requested in this question is relevant to the [statutory] responsibilities of GAO".

## HEALTH, EDUCATION AND WELFARE, DEPARTMENT OF

Effective cost control systems are considered a major ingredient to the success of any national health insurance plan. This is the view of two advocates of NHI development, Sen. Bob Packwood (R-Oreg.) and

Rep. Bill Roy (D-Kansas). They gave their opinions on the matter before an audience attending the U.S. Chamber's annual meeting in Washington last week. Both agreed that the opportunity to pass such legislation has never been better.

"Guidelines for a Minimum Statistical and Accounting System for Community Mental Health Centers" is the title of a working handbook prepared for the National Institute of Mental Health. The manual was prepared in an effort to codify and add new material to assist recipients under the Community Mental Health Centers Act of 1963, as amended. Copies may be obtained through the GPO at \$1.60 per copy.

#### HOUSING AND URBAN DEVELOPMENT

A major housing bill has been approved by the Housing Subcommittee of the House Banking and Currency Committee. The bill would authorize nearly \$10 billion over three years, most of it for community development. The Administration's initial reaction was favorable. The plan goes along with Administration recommendations to adopt a (modified) revenue sharing approach to community development by turning over federal funds to localities without restrictions on how the money is to be used. The unanimous vote by the Subcommittee enhances the prospects of major housing legislation clearing Congress during this session. No date for full committee action has been set, however.

A GAO report entitled "Improvements Needed in the Overall Management of HUD-Held Multi-Family Mortgages" has been forwarded to the House Subcommittee on Legal and Monetary Affairs. The report (B-114860 of 3/14/74) included remarks critical of the Department's techniques for verifying mortgagors' certifications and inadequate monitoring of the federal programs. The report, in addition, cites an incident of questionable ethical conduct by a CPA. Copies of the report may be secured by calling the GAO reports department at 202/386-3784.

#### SECURITIES AND EXCHANGE COMMISSION

Chairman Garrett addressed the Financial Analyst Federation annual conference on 4/29/74 and discussed "Improved Disclosure-- Opportunity and Responsibility for Financial Analysts". On the matter of interim reporting, he noted that the Commission will be working with the AICPA in determining the responsibility of independent public accountants in the interim reporting field. He remarked that the summary figures now made available may be too summary and may not be the most useful figures for most investors.

Chief Accountant John C. Burton will be the featured speaker at the Third Annual Accounting and Tax Conference sponsored by the National Association of Real Estate Investment Trusts on May 30-31. The conference will be held in Denver at the Brown Palace Hotel. Further information may be obtained from NAREIT; telephone 202/223-8090.

Hearings on legislation dealing with the federal regulation of broker-dealers and banks engaged in the municipal securities business are scheduled for May 6-8 before Sen. Williams' subcommittee on securities. The bills under consideration are S. 2474 and S. 1933.

In addition, Sen. McIntyre has announced that his Subcommittee on Financial Institutions will continue hearings during the week of May 13 on S. 2591, the Financial Institutions Act of 1973. Witnesses from organizations representing State regulatory agencies and various segments of the financial community are expected to testify. Further information may be obtained from Mr. T. J. Oden at 202/225-7391.

A Commission inquiry concerning bank-sponsored investment services has been announced (Rel. 33-5491 of 4/30/74). The Commission is seeking comments on the policy and legal questions associated with the variety of securities investment services currently being offered to the public by banks. Comments are requested on the questions posed by the Commission before 6/29/74.

#### SMALL BUSINESS ADMINISTRATION

"Small Business Problems in Today's Environment" is the theme of the 7th Annual Subcontracting Conference and Awards Luncheon. The conference will be held at the Statler Hilton in Washington on 5/22/74, during National Small Business week (May 19-25). Problems and their solutions for subcontractors and other small businesses will be covered. For further information, contact H. Dixon Smith, SBA; telephone 202/382-3373.

#### TREASURY, DEPARTMENT OF

William E. Williams has been named Deputy Commissioner, the number two post at the IRS. He is a career government official, and he has been with the IRS since 1948.


The "prime list" of tax reform items includes: accumulation trusts, accrued vacation pay, retirement income, standards for commercial preparers of tax returns, political parties and contributions of appreciated property donated to them, repeal of obsolete provisions of the Internal Revenue Code, and business deductions. The committee continues this week in executive session on these matters.

Ground rules for debate on the "oil-gas" bill (HR 14462), approved by the Ways and Means Committee, will be considered by the House Rules Committee early this week. The sponsors are seeking a "closed rule" barring amendments except those approved by the committee. House floor action is tentatively scheduled for this week.

Hearings on Internal Revenue administration of the tax laws pertaining to private foundations have been scheduled before Sen. Vance Hartke's (D-Ind.) Subcommittee on Foundations, May 13-14.

The Chairman indicated that the subcommittee will attempt to assess the efforts of the IRS in its monitoring of tax-exempt organizations.

An index of Federal revenue forms most frequently used by taxpayers including only those forms which a taxpayer may need to originate action on a tax matter is available. It is IRS Publication No. 481 (Rev. 1-74), and is on sale through the GPO at 60¢ per copy.

  
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